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THE WASHINGTON INFORMER NEWSPAPER (ISSN#0741-9414) is published weekly on each Thursday. Periodicals postage paid at Washington, D.C. and additional mailing offices. News and advertising deadline is Monday prior to publication. Announcements must be received two weeks prior to event. Copyright 2010 by The Washington Informer. All rights reserved. POSTMASTER: Send change of addresses to The Washington Informer, 3117 Martin Luther King, Jr. Ave., S.E. Washington, D.C. 20032. No part of this publication may be reproduced without written permission from the publisher. The Informer Newspaper cannot guarantee the return of photographs. Subscription rates are \$30 per year, two years \$45. Papers will be received not more than a week after publication. Make checks payable to:

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Message from B. Doyle Mitchell, Jr.



As Washington D.C. and the nation prepare to move forward to meet the challenges of a difficult economy, I am encouraged by the knowledge to which this city and its residents have access. The information, tools and resources necessary to successfully navigate the financial landscape are extraordinary, but you must use them.

In spite of the current economic climate, we cannot afford to abdicate our responsibility for our finances to anyone else or solely to financial institutions. The Financial Reform bill does not ensure that laws and regulations will protect you if your decisions are made without knowledge that is based upon your research. It simply cannot. With that in mind, Industrial Bank is proud to partner with The Washington Informer to help sponsor this special 2010 Financial Literacy Supplement. If knowledge is power, then knowledge over money leads to super power.

The best way to acquire this super power is to start by improving your knowledge about financial matters. Do this by expanding your knowledge on subjects such as; budgeting, managing your credit, saving vs. investing, buying a home, retirement and estate planning, saving for college, and starting a business.

Now is not the time to be fearful. All members of our community, young and old, rich and poor, students and experienced professionals, and people of all races should be laser focused on improving their financial condition. The articles contained within this supplement are meant to help you to either start, or continue the process of expanding your financial knowledge in a manner which enables you to operate with increased confidence.

At Industrial Bank, our employees maintain a strong commitment to community service and financial education in the Washington metropolitan area. We serve a wide range of customers, young and old, rich and poor, and people of all races. Because of that, we strive to provide a variety of services to successfully meet our customers' needs, no matter what phase of life they find themselves.

Whether you bank with Industrial Bank or some other financial institution, it is critically important for you to educate yourself and take advantage of all of the resources available to you; particularly, those helpful bankers right in front of you. Reading the articles contained within this supplement is absolutely a good start, but it shouldn't be the end of your journey - just the beginning.

B. Doyle Mitchell, Jr.

President and CEO of Industrial Bank



Who Is Behind The Dollar?

By Rafael Soriano

I think it is safe to say that we all have our struggles with money. Those struggles can come in a variety of forms. The particular form I am going to address is the psychological struggle we have with money. What is it that motivates us to spend money we do not have? Why would we spend money at the expense of hurting ourselves?

Living in a consumption-based society comes with its fair share of pressure. The pressure is both psychological and emotional and it does not discriminate. No matter our economic status, our society judges an individual by their material display of “things”. Essentially, it equates to, if you have the latest product, you are “somebody”. Even more subtle, if I buy these “things” I will be happy.

We tend to measure our success and happiness by how much we consume. This is one reason we consume without regard to consequence. The message is the more you have, the happier you are. We eat with little or no regard for our health. We are encouraged to eat far more than we need. Most people can be satisfied with a medium sized order or French fries, but satisfaction is not the goal. The goal is to be “over satisfied”, hence super size! Somehow, eating until we are sick to our stomachs equates to happiness just as, for some, running up credit

card debt even if it means stress because we can barely make the minimum payment just to have that item. There is a saying, “There are only two tragedies in life, not getting what one wants and getting it.”

All too often, our spending is based on wanting far more than what we need. We will spend our money regardless if we have it or not. The message here is that the key to successful financial planning, wealth building and healthy credit is not about how much money we have, or our particular title or status in life. Instead, the key is being aware of the person we are and why we are making the choices we make.

Think about it this way. When you purchase something you cannot afford, does this help or hurt you? If it could potentially hurt you, why would you make the purchase? It would be good to investigate this tendency.

It is a good practice to see if you can catch yourself in the act of committing financial self-harm as it is happening. When you find yourself about to make a money decision that could potentially hurt you, ask yourself some honest questions and try, to give honest answers. “Why am I doing this?” “Why am I doing something that is going to hurt me?” “Am I angry with myself?” “Do I not like who

I am?” “Will these feelings of strong desire go away?” “If I walk out of this store right now, what is the worst that could happen to me?” “What was my life like before I wanted to purchase this item?” “If I was unhappy, will this make me happy now, and for how

long?”

Knowing the “who and why” behind your spending will bring an overall sense of clarity, calm and peace in your life. Get to know the “you” behind the dollar. Sit with those impulses. Impulses are just that impulses...they come and

they go, like all feelings, they come and they go. Money is not going to fix you. Money is not going to break you. Only you can do that. Once you get control of yourself, you will see that successfully managing your impulses and your money will be no problem. **WI**

The Industrial Bank Money Matter\$ Series Presents: Why is Selecting a Real Estate Agent so important?



When you are ready to take a big step like buying a home, you need a team that can make you strong. Buying a home is not the kind of thing you should venture into alone.

Industrial Bank is ready to be on your team and help make your dreams of home ownership a reality.

We understand that you are only as strong as the team around you.

Another key member on your team is a Real Estate Agent. This Money Matters tip is all about giving you the insight as to why you need a Real Estate Agent and how they can help in your home buying experience.

Why is choosing a Real Estate Agent Important?

1. THEY CAN FILTER OUT THE “NOISE” OF THE BUYING PROCESS AND HELP YOU TO FOCUS ON WHAT’S IMPORTANT
2. A GOOD AGENT CAN HELP WITH NEGOTIATING – THEY CAN SEPARATE THEMSELVES FROM THE EMOTIONAL COMPONENT OF THE DEAL AND SAVE YOU FROM YOURSELF
3. ITS THEIR JOB – THEY HAVE THE EDUCATION AND EXPERIENCE – YOUR JOB IS TO SELECT ONE WITH YOUR BEST INTEREST IN MIND
4. THEY CAN GUIDE YOU THROUGH THE PAPER WORK ASSOCIATED WITH THE BUYING PROCESS AND IDENTIFY OTHER RESOURCES TO MAKE YOUR BUYING EXPERIENCE RUNS SMOOTHLY



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B. Doyle Mitchell, Jr., President and CEO of Industrial Bank discusses financial literacy initiatives, with Hermond Palmer, Vice President and Director of Marketing of Industrial Bank / Photo by Kbalid Naji Allah

MONEY MATTERS\$

By Hermond Palmer

Vice President, Director of Marketing Industrial Bank

Let's talk about credit. Your ability to effectively manage credit has an impact on your ability to achieve financial empowerment. The good news is anybody can do it – anybody! No matter what the situation, anyone can improve their credit status and their financial circumstance – if – they are committed, disciplined, and they are willing to make an investment in their most precious resource – them self. But, before we get into credit I want to do a quick review regarding the difference between *Wants vs. Needs*.

Wants vs. Needs: What's the difference? A want is something you would *like to have* but it is not critical for you to survive. A need is something you *have to have* in order to survive. Here is an example. I want the NFL Season Ticket package as part of my cable TV package, so I can see any game at any point during the NFL season. I need food on a regular basis to be able to maintain my strength and good physical well being. You would be surprised at the number of people who confuse wants with needs, which can lead to poor

financial decisions, which can then evolve into potential credit problems down the road.

What credit is: At its most basic level, credit is the equivalent of a loan. To get access to credit, you will have to sign a legally binding agreement that requires the individual in whose name the credit is being extended to pay the money back based upon a set of agreed upon terms before the loan is made. Included in these terms are key details including; interest rate, payment requirements, taxes, fees, and penalties. Not paying attention to, or understanding, these details can result in costly mistakes, which can damage your credit rating and your ability to obtain additional, affordable credit in the future. Always remember, the devil is in the details. Be sure you understand and are comfortable with the terms of any agreement you sign.

What credit is not: Credit is not a license to ill, nor is it a cause for any one to lose their mind making purchases they know they do not need or cannot afford – not even

if they lived over a thousand years and worked to pay that debt off over that time. Credit is not free money. Credit has a price tag and that price tag is your interest rate calculated against your outstanding balance to determine the amount of your interest expense. Interest expense is the cost to you for using your credit. Said another way, interest expense is the cost of the money you borrow.

When managed properly, credit is a tool which enables individuals and businesses to buy goods and services. If you manage your credit well, I mean really well, you will be able to buy some really high priced items, such as a car or home, and you will be allowed to pay for them over time vs. having to save and pay the full amount on the spot at the time of purchase.

What is a Credit Score? A credit score is an instrument used by financial institutions and lenders to determine whether to extend credit to that individual. There are several brands of credit scores. One example of a frequently used credit score is the FICO

score. FICO is an acronym for the Fair Isaac Corporation, the creators of the FICO score. Using proprietary mathematical models, the FICO score takes into account various factors across five areas to determine credit risk: payment history, current level of indebtedness, types of credit used and length of credit history, and new credit.¹

The FICO score has a range between 300 and 850. The closer an individual's score is to 850 the better that individual's credit risk-worthiness will be. In the past, it was believed that a FICO score at or above 650 was good and that person would have a reasonable chance of getting credit at an affordable rate. While not ideal, anything below a 650 FICO score does not mean credit will not be available – just that it might be more expensive.

Negative Credit Information: If there is valid negative information in your credit report, there is nothing you can do to change it. The key here is not to panic. Having negative information in your file does not necessarily mean

that you will be denied credit. Different creditors review your credit history in different ways. If you find yourself in this situation what you need to do is to take corrective action by improving your behavior. Make sure to meet your financial obligations and pay your bills on time consistently to improve your credit score. What does negative information look like? Negative information includes notifications of late payments, bankruptcy, liens, and accounts turned over to a collection agency.

Be careful using so-called credit repair clinics who aggressively advertise offers to "fix" your credit record for a fee. Let's be clear – credit clinics cannot remove or change correct information on your credit record. Additionally, you can do anything that a credit repair clinic can do at little or no cost. The fundamentals behind managing money or credit successfully do not require an expensive degree or a special education. All that is required is your desire to invest in yourself, combined with the discipline and commitment necessary to consistently work toward your long-term financial success. **WI**

¹ SOURCE: <http://www.investopedia.com/terms/f/ficoscore.asp>

New ways to save your money

Be smart about how you pay

(ARA) - What if you threw away dollar bills every time you found them in your pocket? Does it matter how you pay for your family's everyday purchases - with cash, credit/debit card or personal check? In fact, the way you choose to pay in stores and restaurants may be costing you (and the local stores you shop in) thousands of dollars a year.

These days, you can charge just about anything with a major credit card. But some non-plastic payment methods may allow you to get more of your dollar - and keep more of your hard-earned money in your local economy.

Here are a few times you may be paying extra or accepting unnecessary limits on your payment freedoms, and how to avoid them:

☒ **ATM fees.** You may knowingly be paying ATM fees, but you

might be wise to select a bank that offers unlimited free withdrawals. Most credit card companies will charge you for cash advances from ATMs, but might not reveal the charge during your transaction. Make sure you're clear on the terms of your card before proceeding.

☒ **Transaction fees.** You should be aware of credit card fees that accompany certain transactions. Use cash or a personal check if credit card fees apply to a purchase you're

making. Businesses often have to pay a fee for card transactions, so you support your favorite stores more if you pay with cash or personal check.

☒ **Interest rates and annual fees.** Credit cards can be a great way to build credit and earn benefits, but if you aren't keeping your balance at, or close to, zero, you are losing out big-time by paying interest. If you're having trouble keeping your credit card balance down, you may want to con-

sider sticking with a card attached to a checking account and your checkbook

And here's the biggest surprise: How popular personal checks still are. In fact, 18 billion checks are still processed every year in the U.S. alone -- making checks the most frequent form of non-cash payment in America. Many Americans still prefer having the option to pay with check as well as with credit or debit cards, according to a recent survey conducted by public affairs firm Ipsos on behalf of Deluxe Corporation. Seventy-five percent of consumers said they should

have the right to pay with whatever method they wanted when making a purchase at a store - including cash, card or check. Thirty-eight percent of consumers surveyed would consider walking out of, or not returning to, a store or restaurant if that business refused to accept their checks as payment. And one-fifth of consumers say that a sign in a store which says "We Do Not Accept Checks" is an example of 'bad customer service.'

A new consumer advocacy campaign, "Stand Up For Your Right To Write Checks," is underway to preserve your option to use checks as a form of payment at www.righttowritechecks.com.

Whatever your preferred method of payment is, by paying a little closer attention to your buying methods, you can end up saving a considerable amount of cash in the long run. **WI**

Now is a good time to call Industrial Bank

Despite what you might hear, NOW is a GREAT time to buy a home!



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Why would anyone want to buy a home now?

- Mortgage Rates are still at all time lows
- A home is a tax shelter which may allow you to claim interest, saving you money on your taxes (check with your tax accountant)
- There is an abundance in the number of homes available for sale – this excess supply combined with low demand translates into lower housing prices to YOU the buyer if you **NEGOTIATE**

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Charlene Crowell



COMMUNITY REINVESTMENT ACT REVISITED IN 2010

Proposed reforms call for modernization, increased public participation, and more

By Charlene Crowell
Special to the Informer

One adage is as true as it is old, 'The more things change, the more they stay the same'. For all the federal victories won by coalitions of progressive people over the past several decades, persistent disparities remain when it comes to communities of color.

For many citizens of color, the word 'disparity' is merely a synonym for discrimination. And when it comes to access to credit, government policies have yet to ensure that access to credit is equally available. As a result, a gap remains between the legislative intent of many lending laws and the reality for people who need credit. The ability of a minority business to gain a loan can be just as difficult as that of a citizen seeking to secure a home improvement loan or make the transition from renter to homeowner. Minority loan applicants find that denials are common, seldom explained, and lenders have no real accountability for their actions. If minority loan applications are approved, often the qualifying terms that are tougher than those offered to non-minority applicants.

Worse yet, the loans that many minorities have received through the Community Reinvestment Act (CRA) have been falsely criticized as the trigger

for the current recession and millions of foreclosures. In truth, however, the subprime loans that caused the crisis were not CRA loans. If subprime lenders had made CRA loans instead of the ones they did, the nation would be facing far fewer foreclosures today. Multiple policy analysts have concluded that the recession was caused by a widespread lack of underwriting standards, broker kickbacks for selling higher-priced loans to trusting consumers, and complex lending transactions that deceived borrowers and encouraged them to rely on refinancing if loans became unmanageable. In reality however, few refinancing options were later available – especially for homeowners seeking mortgage modifications.

Thirty years ago when President Jimmy Carter signed CRA into law, it was envisioned to be a federal remedy against redlining, a lending practice that denied communities, particularly those with large minority populations, access to credit. As passed in 1977, CRA offered few details as to how banks and savings associations would change their lending

ways. In response to continuing dissatisfaction, a series of CRA amendments in the 1990s added language that required written evaluations of institutions, expanded classes to include minority and female-owned businesses, and uniformity in both examinations and performance standards.

With the advent of loosely regulated mortgage companies and mortgage brokers selling a greater market share of mortgages than banks, that market shift allowed many who perpetrated the housing crisis to escape regulation – including CRA. Moreover, as many traditional lenders gained non-depository subsidiaries, these entities also were not covered by CRA.

Now we are in the throes of the greatest recession since the 1930s Great Depression and a growing body of research that repeatedly reveals how communities of color have been financially exploited. In response, a new and vigorous effort is underway to make CRA live up to its original legislative intent. The Community Reinvestment Modernization Act of 2010, sponsored by Dallas Congresswoman Eddie Ber-

nice Johnson, would expand several provisions such as requiring depository financial institutions and their subsidiaries to both meet CRA criteria in a range of measures that include credit, deposits, transactions, and community development.

Additionally, the soon-to-be operative Bureau of Consumer Financial Protection (CFPB) has the authority through the Dodd-Frank Wall Street Reform Act to regulate financial institutions. The CRA Modernization Act, as proposed, would further strengthen the new agency's role by authorizing CFPB to perform CRA exams for those same entities. Importantly the new legislation also proposes to evaluate lenders' CRA performance, giving equal weight to community development and the needs of low-and-moderate income communities and those traditionally underserved.

The ability to effectively and legislatively strengthen community development in underserved communities could have the effect of reviving urban pockets of commercial prosperity, not seen in large numbers since the mid 20th Century. If sustainable com-

munity development could occur in America's most economically-challenged communities, jobs would be created, municipal tax bases would be strengthened and the quality of life quotient would rise as well.

Perhaps these are some of the reasons that the legislation has attracted the support of 60 members of Congress representing 24 states and the District of Columbia. Introduced in spring of 2009, the measure has been assigned to the House Committee on Financial Services.

Representing the Center for Responsible Lending at an August Community Reinvestment Act Regulation hearing convened in Atlanta, Ellen Harnick, senior policy counsel proposed multiple solutions to strengthen CRA that included requiring large banks to achieve at least a 'satisfactory' rating for the community development test; and requiring small banks to be regularly evaluated for community development lending or investments as part of their core evaluation rather than for "extra credit". The full testimony is available at:

<http://www.responsiblelending.org/mortgage-lending/policy-legislation/regulators/Ellen-Harnick-CRA-Testimony-Atlanta-August-6.pdf>.

In her concluding remarks, Harnick advised federal officials, "Modern banking outpaced CRA regulations, and CRA has not been as effective as it could, and needs to be. To remain relevant, CRA regulations must be modernized to bring them up to date with technological, regulatory and market changes." **WI**

Charlene Crowell is the Center for Responsible Lending's communications manager for state policy and outreach. She can be reached at: Charlene.crowell@responsiblelending.org.

In a career that includes three state capitals and major markets in the Southeast, Southwest, and Midwest, Charlene Crowell is an award-winning journalist as well as a seasoned governmental communicator having served as a press secretary to both a state attorney general and mayor. Her career includes television, radio and publishing as well as lobbying. As the Center for Responsible Lending's communications manager for state policy and outreach, she follows both state and federal developments and authors a weekly consumer finance column distributed by the National Newspaper Publishers Association's news wire.

1759 – Even during slavery, many Blacks were able to demonstrate their financial and economic prowess. One example is **Paul Cuffee** born near Dartmouth, Massachusetts. He was one of the most prominent blacks of the 1700's. Born of a black father and an Indian mother, Cuffee became the wealthiest Black man in America as a whaling captain, ship builder and merchant. He was an ardent fighter for black rights and built the first integrated school in the state. But in his later years he became frustrated with the slow progress for black freedom and began to support a program calling for free blacks to return to Africa and build a nation of their own. He actually financed and helped a small group of blacks establish a base in the West African nation of Sierra Leone in 1815. His program ended with his death in 1818.

1773 – This is the most probable date when Black explorer **Jean Baptiste Pointe de Sable** begins building the settlement which would eventually become the city of Chicago, Illinois. The Haitian-born (c 1745) de Sable started out fur trading but would overtime become a man of considerable wealth. He owned commercial buildings, docks, trading posts and a mansion. De Sable was the product of a French man and an African woman. He died August 19, 1818.

1822 – “From slavery to wealth” is the phrase which best describes the story of **Barney L. Ford** who was born into slavery on in 1822 in Stafford Court, Virginia – the product of a black woman and a plantation owner. He was raised on a plantation in South Carolina but with the aid of the “Underground Railroad” he escaped and headed west through Chicago (where he met his wife) to the gold fields of California where he was denied the right to stake a claim because he was black. After being cheated by a shady lawyer, he headed to the Denver, Colorado area and in time built a barbershop, a restaurant and then a fine hotel. He also built a hotel in the Central American nation of Nicaragua. Despite obstacles and setbacks such as racists bombing his hotel, Ford kept bouncing back and over time became one of the wealthiest and most influential men in Denver. After 1860, he used his influence to fight for black rights in Colorado.

1860s – **The Black Codes** are established beginning immediately after the Civil War. While much has been made of the demeaning social nature of



Booker T. Washington

Madam C.J. Walker

Robert L. “Bob” Johnson

the codes to the freed slaves, a key but seldom detailed aspect the Black Codes, established throughout the South and to a lesser degree in the Midwest, was their financial and economic impact. Essentially, the Black Codes sought to establish American Blacks as a permanent source of cheap labor. Business ownership was discouraged and in some instances actually banned. Thus, in effect, the Black Codes sought to rob Blacks of financial knowledge and business property rights.

1895 – **The Great Educator Booker T. Washington** delivers his famous (or infamous) “Atlanta Compromise” speech. In the address at the Atlanta Exposition, Washington sought white financial help in promoting Black economic development and he encouraged Blacks to start businesses and lift themselves up by “their boot straps.” But in exchange for financial aid, Washington proposed that African Americans abandon their struggles for social and political equality. This greatly angered progressive Blacks, including **W.E.B. DuBois**, who began to label Washington as an “Uncle Tom.”

1867 to 1919 – Despite growing up during a period which discouraged African American financial and business development, Sarah Breedlove would become America’s first Black millionaire. One of six children born in Delta, Louisiana, Sarah

would move first to St. Louis, Missouri where she would become known as **Madam C.J. Walker**. She and her husband would travel the United States and major parts of South America promoting hair care products for women of African ancestry. It is estimated that on the road to becoming a self-made millionaire, Madam Walker would put thousands of Black women in business selling her products and services.

1903 – **Maggie Lena Walker** became the first Black woman to head a bank in America. In fact, she was the first woman of any color to head a bank when she was named president of the St. Luke Bank and Trust Company in Richmond, Virginia. Walker was an outstanding business woman who took over Richmond’s Order of St. Luke when it was nearly broke and rapidly losing membership. Within a few years the Order owned a bank, a newspaper, a printing press and a three story department store despite the active opposition of Richmond’s white business community. Walker also helped found the Lilly Black Party in part as a slap at the segregated “Lilly white” political parties of the day. One of her mottos was “Don’t get angry, get busy.” She died December 15, 1934.

1920 – The legendary National Negro Baseball League is organized in Kansas City, Kansas by the “father of black baseball” **Rube Foster**. It is not widely

known that under the 6’4” Foster’s leadership not only did over 4,000 blacks get a chance to play professional baseball during the days when they were not allowed to play in the white-controlled major leagues but the Negro Baseball League became one of the largest black-owned business enterprises in America. Players were paid, stadiums were built and a lot of African Americans made money. The teams represented Black communities and had major followings. They had names like the Pittsburgh Crawfords, the New York Black Yankees, the Birmingham Black Barons, the Chicago American Giants, and the Atlanta Black Crackers. One of the unfortunate side-effects of integration was the destruction of many Black businesses. Thus, when the white leagues broke the color barrier and hired Jackie Robinson in 1947, the Negro Baseball League gradually began to decline. Most of the teams were gone by 1960.

1921 – The earliest example of successful Black group financial and economic power is brought to an end: The infamous and bloody **Tulsa (Oklahoma) Riots** begin. Whites go on a violent rampage lasting several days. When the rioting was over, an estimated 21 whites and 60 Blacks were dead. In addition, as many as 15,000 Blacks were left homeless as hundreds of homes and businesses were burned to the ground. The area

bearing the brunt of the destruction was known as the “**Black Wall Street**” because of its large number of African American owned businesses. As recently as 2007, Detroit Congressman John Conyers was working on legislation designed to give the few remaining Black survivors of the rioting additional time to sue in order to recover some of their loses. The rioting was reportedly sparked by a false claim from a white female elevator operator of being assaulted by a Black man. But white jealousy of Black success in the Tulsa area may have also played a major role.

1918 – The founder of Ebony and Jet magazines, **John H. Johnson**, is born in 1918 in rural Arkansas City, Arkansas. Shortly after the death of his father, Johnson’s mother moved the family to Chicago where Johnson attended high school during the day and read self-help books at night laying the intellectual and motivational foundations for the eventual building of his publishing empire. For years, the Johnson Publishing Company was the most powerful and influential Black-owned business in America. Interestingly, among Johnson’s classmates at Chicago’s DuSable High School were Nate King Cole, Redd Foxx and future businessman William Abernathy.

1980s – Madam C.J. Walker might have been America’s first Black millionaire but **Robert L. “Bob” Johnson** was this nation’s first Black billionaire. Johnson, along with his wife Sheila, was the founder of BET – Black Entertainment Television in 1979. Via BET hundreds of African Americans became employed in the entertainment industry and thousands more gained publicity and exposure for their music. In 2003, BET was no longer a Black-owned company because the Johnsons sold it to entertainment giant Viacom. And while Johnson reigned for several years as America’s richest African American, he has since been replaced by television talk-show diva Oprah Winfrey. The latest estimate of his wealth is \$550 million. **WI**

Robert Taylor compiles “This Week in Black History” and the “Black History Journal.” For additional information about his writings, contact him via email at TaylorMediaServices@yahoo.com or call 202-549-6872.

By Lanta Evans-Motte,
Financial Advisor

Déjà vu, back in debt again? Seems that you just refinanced 3 years ago and paid off all debts, but the cards are maxed again. What happened? Was it the new house, new car, eating out, treating yourself, or a little bit of all of the above? The truth is, it doesn't take much to get you back into the red again. All it takes is spending a little more than what you are making each month—living just above your means. For instance, spending just \$50/week more than what you make puts you \$2600 per year in the hole. That's how you can easily end up with \$7,500 credit card debt in just three short years. Your monthly "budget" might have been ok. What you may not have accounted for was the Caribbean cruise, property tax increases, tuition bill, or the \$500 "loan" to a friend that never got paid back. You don't think of them as monthly expenses, so if you don't set aside some extra money each month to cover them when they hit, then presto, they can easily end up on the credit card.

Debt Reduction versus Debt Restructuring

How can you practice good stewardship and meet all of your financial responsibilities? What can you do to manage all the competing demands on your paycheck? Chances are you did not accumulate your debt overnight so it will probably take a little time for your situation to improve dramatically. For starters, **beware of continually refinancing your mortgage.** With so many homes underwater (mortgage higher than market value), refinancing may not even be an option at this point. For those who still have equity in their homes, caution is prudent when considering tapping into that equity. Paying off your credit card debt by

Stewardship, Wealth and Debt Management

acquiring another debt (refinancing your mortgage) is not debt reduction—that's debt restructuring. While it MIGHT make sense to restructure your debt, generally speaking you need to pay down your loan balances to get out of debt. Also **beware of using one of the "Get out of Debt Quick" schemes** often advertised today. You could easily end up lowering your credit score and ultimately end up further in debt in the long run. Being realistic about what caused you to get in over your head is a good place to begin your recovery process and improve your stewardship.

3 Steps Towards Improving Financial Stewardship

Getting the right information can assist you in improving your financial stewardship. Here are steps to help you:

1 Become familiar with free financial resources that are available. The government has several educational sites that can help you obtain a basic understanding of financial terms and concepts. The federal government has a free package of helpful publications on saving, investing, insurance, and getting the most for your money. The "My Money" tool kit is available at www.mymoney.gov or by calling 1-888-696-6639. The FDIC has several helpful resources available on its website: www.FDIC.gov or 1-877-275-3342 (1-877-ASKFDIC). There may be community-based organizations that offer free educational seminars in your area. Be sure the re-

source is credible and properly trained, accredited or certified. Don't be afraid to ask questions, or to ask a knowledgeable friend to accompany you. Avoid sales seminars disguised as "free" financial education.

2 Become familiar with your own finances. Organize your financial records and order a free copy of your credit report each year from www.AnnualCreditReport.com or 877-322-8228. A FICO credit score will cost between \$6-\$10 from this website and will help you understand your negotiating power with lenders—a higher score is better. Once you have your credit report in hand, spend some time reviewing it and making sure the information is correct. Also prepare a detailed outline of ALL bills, commitments, and expenditures including those not reflected on your credit report. These may include child care payments, subsidies to parents, outstanding loans

to family, and contributions to retirement plans. Be sure to include a monthly allotment for quarterly or annual bills like insurance, real estate taxes, or car maintenance. With this information in hand, you are ready to seek out a professional for additional assistance if needed.

3 Seek out qualified help. A qualified financial professional can help you sort through your current financial situation, help you determine the "root cause" of your spending or debt issues, help you set short- and long-term goals, and help develop a "game plan" designed to help you meet your objectives. As you schedule follow-up meetings, they can also provide accountability to help you stay on track. Be sure to ask about their experience with similar clients, credentials and training, and ask about potential conflicts of interest. Make sure you know how that pro-

fessional is getting paid and what you're paying in fees for products, services and advice.

Patiently Reaping the Harvest

Many consumers are struggling financially today because of excess consumption in the past which has resulted in massive amounts of debt. Similar to effective weight reduction, effective debt reduction generally does not happen overnight but rather by consistent changes in daily habits. As you begin to monitor your spending more closely and pay down high-interest debts, you will free up resources so you can begin to pay yourself first (savings). Then with extra savings you can invest, manage risk, support charitable causes, and build wealth and financial stability for you and your family. **WI**

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This article is published for general informational purposes and does not constitute financial, tax or legal advice. Consult your own financial, tax or legal advisor before making financial or investment decisions.

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Financial Illiteracy: America's Economic Cancer

The lack of financial literacy in America is a problem that must be addressed, NOW. Why is improving our financial literacy critical? Several reasons come to mind, not the least of which is the fact that the core of a capitalist system is financial choice by the consumer. Each and every decision has financial consequences. If these consumers are unable to make educated choices in their lives they ultimately are at a serious disadvantage in their dealing with ever increasing large corporations or institutions. Evidence of such is a statistic which surfaced some years ago that suggests that **fewer than 2% of Americans will reach financial independence during their lifetimes.** In short; they will NOT be able to sustain themselves financially.

What is causing this impending crisis regarding financial independence? The major cause is of course the inability of the average individual to manage some of the basic "tools" of their finances; their income statement, balance sheet, income taxes, credit score, ect. Each individual and family is now a business and therefore must be managed as such, thus the need for financial literacy.

In addition to the lack of understanding of the basic tools, consumers have a host of other factors working against them. Some of these are; longer life expectancies, increased debt, ris-

ing health care costs, competition for limited resource (care for parents, college expenses, retirement funding, and personal long term care).

In order to effectively address the challenges, consumers must understand the Wealth Cycle steps: Accumulation, Protection, Tax Management, Distribution, and Legacy Planning. Once the basic steps are understood then they must begin to build a written plan that includes their objectives quantified, a budget with a strategy to be "profitable" each month, a protection program that includes emergency cash, adequate insurance coverage, the minimum investment return they need or are willing to accept for allowing someone else to use their money. Last but not least they must either set aside time each month to understand one new aspect of their financial lives or hire someone who they trust to help them.

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These are challenging times for our citizens as job losses and other stressors are prominent. Though money and credit are tight, financial literacy is more important than ever. People need the skills to successfully navigate through this period of uncertainty.

United Communities Against Poverty, Inc. (UCAP) Hosts Financial Literacy Programming Series

United Communities Against Poverty, Inc. (UCAP) holds its semi-annual Financial Literacy Week program. UCAP continues to serve the community by providing services which maximize the quality of life through quality services and resources. As momentum grows on this subject of financial literacy, UCAP is a high profile player in the Washington Metropolitan Area and has worked to create a Financial Literacy program in 2008 which has been well received and endorsed by Freddie Mac. It is an integral part of the overall foreclosure prevention strategy.

As our nation's financial troubles worsen, we are realizing that solutions will not be possible without efforts to improve the financial literacy rate. UCAP provides financial education throughout its housing services program. Other housing services include: rental eviction, utility delinquency and mortgage delinquency/foreclosure. An improved financial literacy rate could have had a positive impact on the proliferation of predatory practices of credit card issuers and sub-prime and other mortgage loans. These practices have had a devastating effect on our communities. These practices in particular were designed to take advantage of the borrower's inattention and lack of knowledge.

Our participants will learn how to protect their identity, credit and money from thieves

and scam artists through our Fraud and Identity Theft workshop. Victimized consumers in 2002 reported losses out of pocket expenses attributed to resolving their cases totaled \$5 billion & nearly 33 million combined hours struggling to achieve resolution.

As a foreclosure strategy, UCAP has linked programs such as Pre-purchase homeownership education, Post Purchase education and Financial Literacy programs together into a loyalty program. Financial education was the biggest single issue surrounding mortgage default and foreclosures. UCAP is committed to a long-term relationship with its customers as they navigate their ongoing homeownership financial decisions such as refinancing and rehabilitation.


These are challenging times for our citizens as job losses and other stressors are prominent. Though money and credit are tight, financial literacy is more important than ever. People need the skills to successfully navigate through this period of uncertainty. HUD Approved Housing Counseling Agencies are critical to the consumer. Accurate and timely advice on financial issues is essential.

UCAP's Financial Literacy Program includes 6 workshops: Financial Literacy for Maximum Impact; Credit/Personal Debt; Credit Cards (including the 2009 Credit Card Act); Consumer Fraud and Identity Theft; Wealth Building; and Preda-

tory Practices. Participant's surveys have indicated that the program has met and exceeded their expectations. The week was highly incentivized as customers received prizes and give away items including: budgeting software, calculators, fire extinguishers, and more. Participants that complete the entire series will receive a certificate.

UCAP will sponsor its next special financial programming during the National Financial Literacy Month, April 2011. Programming will include a series of financial workshops as well as a full week of "Lunch & Learn Mini Series." The half-hour mini series will include short topics such as the Bankruptcy Risk Score. **WI**

United Communities Against Poverty, Inc. (UCAP), a non-profit 501(c)(3), is the designated Community Action Agency for Prince George's County, Maryland. Our mission is to alleviate poverty, improve community relations, and maximize the quality of life for Prince George's County residents through advocacy, quality services and resources.




UNITED COMMUNITIES AGAINST POVERTY, Inc.

CHANGING THE WORLD BY EMPOWERING PEOPLE

FINANCIAL LITERACY WEEK 2010 WORKSHOP SCHEDULE

Date	Topic	Instructor	UCAP
October 4	Goal Setting/Debt Management	Mary Dade	1400 Doewood Lane Capitol Heights, MD 20743 301.322.5700 x107 www.ucappgc.org
October 5	Credit	James Diggs	
October 6	Credit Cards	Mary Dade	
October 11	Fraud & Identity Theft	Mary Dade	
October 12	Wealth Building	Mary Dade	
October 13	Predatory Practices	James Diggs	



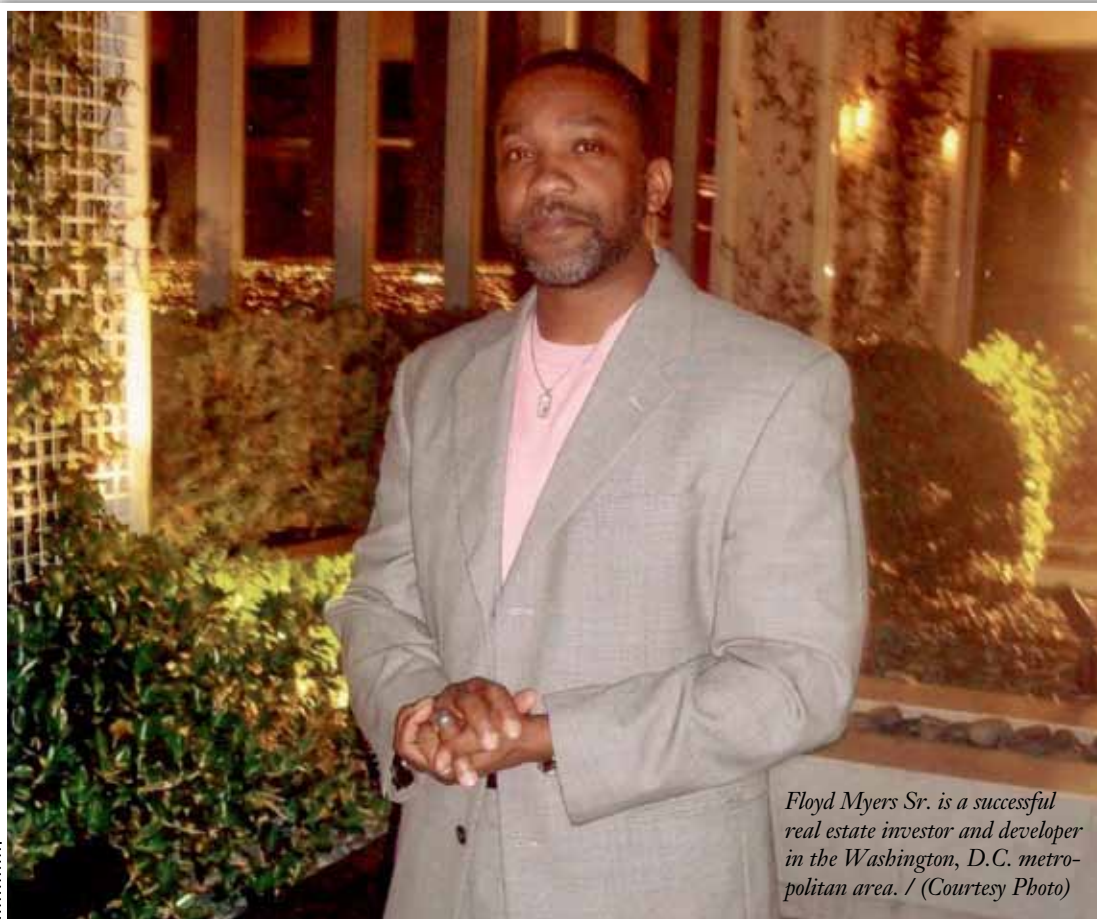
By Floyd Myers Sr.
Special to the Informer

Each year, hundreds of thousands of Americans attempt to start their own businesses. They do so out of a need for additional income, or possibly to pursue an interest or to perhaps make a change in careers. The Small Business Administration estimates that 50 percent of small businesses fail in the first five years. Those failures can be attributed to a lack of a solid vision, insufficient capital and poor management. However, this does not have to be the case. Starting your own business can be an exciting experience but it will require a lot of hard work and dedication plus some guts to deal with the tough times.

Running a business is not for the faint of heart, but if one has the passion for their business and has some common sense, it can be a success.

The first thing to do is research the industry. One needs to find out everything possible about the type of products or services that your business will offer. Get in touch with the local Chamber of Commerce and ask for more information about the industry in the area. Go to the library and research the history of the industry on a national scale. Remember, others have done what you are planning to do. Seek them out for advice and counsel. They can tell you the pros and cons of the business and point out some pitfalls to avoid when organizing your business.

When you are through talking to a business leader, ask them to be your mentor. Explain what you want out of the relationship and if they agree, keep them abreast of your challenges and achievements. However, be confident in knowing that once your business starts to operate, you



Floyd Myers Sr. is a successful real estate investor and developer in the Washington, D.C. metropolitan area. / (Courtesy Photo)

HOW TO START

Your Own Business

will learn and possibly mentor someone, too.

Once you determine the type of business you want to operate, ask yourself: Do I want to dedicate myself to this business? Am I willing to put in the time and effort to make it a success? Remember that your inner spirit will be an integral part of the success of your business. You must think it, dream it, believe it, work it and do what it takes to make it happen. You must have the inner strength to overcome all of the obstacles that will inevitably come your way.

A trade name is needed

for your business and it's important that you obtain a tax identification number from the Internal Revenue Service and your state tax revenue agency.

You can get this information by calling the government pages in the telephone book or by going on the Internet. In addition, try to get an understanding of how this agency works in regards to your business as well as getting to know people there. A contact at the IRS and your state tax agency may save you money and headaches down the road.

Please note that while obtaining this information, your Social Security number will be needed. If asked, be ready to present it to the appropriate parties.

At this point, you should know what type of legal structure your business will have. Will it be a sole proprietorship, a partnership, Limited Liability Corporation or a corporation?

It's important that the decision on what type of structure be given careful consideration

because there are tax and legal implications unique to each business structure. Selecting the wrong structure could be costly and sometimes, lead to serious legal consequences. Consult your attorney on the best legal structure for your specific business.

You must also identify your resources of capital, whether it's cash, credit cards, gifts and loans. Do not be shy about asking for money.

Ask relatives, friends and co-workers about start-up money. In addition, check to see if there are any government programs that offer grants or low-interest loans for start-up businesses.

Research the Internet for individuals known as "angels" who may provide start-up money for your business. It's a good idea to hire an accountant or take advantage of accounting services offered by groups such as the American Institute of Certified Public Accountants and the National Association of Black Accountants. Some universities offer accounting services per-

formed by students and supervised by faculty members for a small fee.

One must know how much it costs to operate a business in terms of equipment, labor, space and the price of your product. It's critical that you understand how much you need in terms of revenue from sales before you turn a profit. One of the questions that must be addressed deals with employees: Should your employees consist of family members or should they come from the community? Also, should the employees be independent contractors or have benefits?

Every business is in competition with another. It's vital that one know who the competition is. This can be tricky because your competition may not be obvious at first glance. For example, an owner of a hamburger restaurant may not think of a Chinese food carry-out as a competitor, but they are fighting for the same customer base although they offer different types of foods. In-depth research on your competition can help you to make sound decisions on how the business can position itself for profitability.

Good record-keeping is essential to operating a successful business. This practice will keep your business better organized and keep you in the good graces of government officials or financial investors. Colleges and business associations offer courses in Record Keeping. It would be wise to enroll in a class.

The last, but certainly not least, is to keep the Superior Being in your life and spend time in meditation. Studies have shown that people who have a clear sense of spirituality tend to be happier and more successful than those who do not. Spirituality will open doors supernaturally and offer one perspectives that cannot be validated by data or science. **WI**

Floyd Myers Sr. is a real estate investor and developer in the District of Columbia and Maryland. He owns FAM Enterprises.



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Things You Should Know About Filing Bankruptcy

By Andrellos Mitchell, Esq

Why file bankruptcy?

Reasons for filing Bankruptcy: There are many reasons why people file bankruptcy. Some of the most common reasons include unemployment, illness, unexpected medical expenses, etc.

What are the types of bankruptcy?

There are five types of bankruptcy. Chapters 7, 13, 12, 9, and 11. This article is limited to comments on what is often called consumer bankruptcy: Chapters 7 and 13.

Are there alternatives to filing bankruptcy?

Yes! You may want to go through a debt consolidation program such as Consumer Credit Counseling Services (CCCS). You also may want to try negotiating directly with your creditors. Who knows, maybe you can work something out with them on your own. You might also want to get a loan to consolidate all of your smaller debt. If not, bankruptcy may be an option.

What is the purpose of Bankruptcy?

Although critics in society often try to make people in need of bankruptcy services feel guilty and ashamed, the truth is, one of the main purposes of Bankruptcy Law is to give a person, who is hopelessly burdened with debt, a fresh start by eliminating his or her debts. Its that simple.

Chapter 7 Bankruptcy

Chapter 7 Bankruptcy sometimes called a straight bankruptcy is a liquidation proceeding. The person filing bankruptcy is required to turn over all non-exempt property to the bankruptcy trustee who then converts it to cash for distribution to the creditors. The debtor receives a discharge of all dischargeable debts (which may include things like unsecured credit cards, medical bills, past due rent from prior landlords, deficiency judgments from foreclosure, car loans from repossessed vehicles, etc.), usually in about 6 months. In most cases the debtor has no assets that he would lose so a Chapter 7 will give that person a relatively quick "new start".

Chapter 13 Bankruptcy

Chapter 13 Bankruptcy is also known as a reorganization bankruptcy. Chapter 13 bankruptcy is filed by individuals who want to pay off their debts over a period of three to five years. This type of bankruptcy is for individuals who have non-exempt property that they want to keep such as a house. This type of bankruptcy is for individuals who have regular income

that is sufficient to pay their living expenses, and have money left over to pay off their debts in a payment plan.

Bankruptcy Costs:

The filing fee for a Chapter 7 Bankruptcy is \$299. The filing fee for a chapter 13 is \$274.00. Attorney's fees vary with the attorney and can be based on things such as the attorney's experience and/or market forces. In general, new bankruptcy laws have created new requirements and added additional work and responsibilities for the lawyer and filer. These new laws have generally led to increase in costs with many lawyers.

What are some important things you should know when filing bankruptcy?

Some of the things a debtor should do when filing for bankruptcy: 1) Hire an experienced bankruptcy lawyer. Don't be cheap. In this particular instance, you often get what you pay for. If you talk to a lawyer who has prices that are much lower than most other lawyers, you need to know why that lawyer is so cheap. (2) Always be honest with your lawyer. (3) Provide full and complete disclosure of your all of your assets, income and debts when filing bankruptcy. Providing false or incomplete information may cause delay and amendments to your bankruptcy, as well as increase in costs. You may even create a situation that leads to allegations of bankruptcy fraud. WI

The information in this article is a small snapshot of issues involved when considering filing a Chapter 7 or Chapter 13 bankruptcy. It is not intended to serve as legal advice. If you are seeking legal advice on bankruptcy law or any other matter, you should consult with a qualified attorney. There is no intent by the author to establish any attorney-client relationship with any of the readers of this article. The information in this article are only the opinions of the author, Andrellos Mitchell. This article cannot be reproduced without the express written consent of the author.

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Getting Help With Money Management

Know well the face of your flocks; and pay attention to your herds: Proverbs 27:23

By Kimberly T. Henderson
Director of Housing and Community Development
The Greater Washington Urban League

Money management was an issue even in biblical times. And today, with many Americans losing jobs and/or income, there is no better time to learn more about watching our pennies. The advent of the subprime crisis and the ensuing deep recession revealed that many Americans regardless of income or education struggled with financial literacy. Of course over the past few decades, the financial services and insurance industries have become increasingly complex. There are more mortgage products than ever and there are more "fine print" documents and disclosures detailing our obligations to credit card companies than ever. Credit scoring also has become more important and more businesses are using it as a tool to detail your payment history. Credit scores,

often referred to as FICO scores, are now used by utility companies, for insurance products, and can be used in the employment process.

In many respects, these are bewildering times. But help is on the way in the form of new federal government agency, the Consumer Financial Protection Bureau, to safeguard consumers in their dealings with banks, credit unions, private mortgage firms.

Closer to home, the Greater Washington Urban League will continue doing what it has always done to advance the financial interest of minorities and families of modest means. The League champions financial literacy by providing free debt and credit counseling, free first time homebuyers seminars, and free foreclosure counseling to residents of Maryland and the District of Columbia. We are also making inroads into asset building which will be a strong national and local initiative in the coming years.

The League has joined forces with E*Trade Financial to offer up to \$10,000 in match savings grant assistance to low and moderate income

first time homebuyers. Consider this fact from CFED "Eight out of 10 of the wealthiest families saved approximately one-third of their household income in 2009, while a full one-third of low-income households earned too little to make ends meet, much less save for the future." Our E*Trade Matched Savings Program and Individual Development Account Program which offers up to \$3,000 for those enrolled to save over 6 months for the purchase of a home. We are heartened by the new initiatives to help families of more modest means and the focus on financial literacy and asset building for poor and middle income families.

We invite residents of Maryland and the District to take advantage of our programs. To learn more, visit www.gwul.org or call the Housing Division at (202) 265-8200 or our Maryland Office at (301) 985-3550. WI



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- Must open a matching grant account with E*TRADE BANK using the following link www.etrade.com/Communitypartner and make a minimum deposit of \$50.00 per month (or in any amount up to the maximum amount to be matched).
- Maximum grant match will be up to \$10,000.

**FOR MORE INFORMATION CONTACT GWUL @ 202-265-8200 OR
E*TRADE @ 1-877-231-5235**

The Greater Washington Urban League
2901 14th Street, NW
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WWW.GWUL.ORG

Valerie Jarrett, a top advisor to President Obama and chairwoman of the White House Council on Women and Girls, said that businesses that are owned by women are crucial to the country's economic health. (Stock photo)



Marie Johns, deputy administrator of the Small Business Administration said that women entrepreneurs need to learn to manage risks. Johns, the former president of Verizon D.C., was responsible for the company's 2,000 employees, 800,000 customers and a \$700 million operation. (Stock photo)

OBAMA ADMINISTRATION

Supports Businesses Owned by Women

By James Wright
WI Staff Writer

Businesses owned by women play a vital role in the nation's economy and the Obama administration is making their development a priority. That was the sentiment expressed on Mon., Oct. 4, during the Women's Entrepreneurship Conference sponsored by the White House Council on Women and Girls.

The U.S. Department of Commerce's Economic and Statistics Administration released a study, "Women-Owned Businesses in the 21st Century", earlier that day for the White House Council on Women and Girls that highlighted positive trends regarding the growth of women-owned businesses and the challenges that they face. Valerie Jarrett, a senior advisor to President Obama and the chairwoman of the Council on Women and Girls, said that her boss is 100 percent behind women entrepreneurs.

"President Obama understands the crucial role that women entrepreneurs play in the nation's overall economic health," Jarrett, 53, of Chicago, said in her remarks.

"Small businesses are the backbone of the economy and increasingly more are being owned by women."

The study states that in 2007,

7.8 million firms were owned by women, accounting for almost 30 percent of all non-farm, privately-held U.S. firms. Women-owned firms had sales/receipts of \$1.2 trillion and those with paid employees had 7.6 million workers.

The study also indicates that between 1997 and 2007, the number of women-owned businesses grew by 44 percent, twice as fast as firms owned by men, and they added roughly 500,000 jobs while other privately-held firms lost jobs. Firms owned by minority women between 1997 and 2002 increased faster than those owned by White women, with minority women-owned firms accounting for more than half of the increase in women-owned businesses, according to the study.

Nevertheless, the study points out that in relation to businesses owned by men, women-owned firms have to deal with less access to capital, a lower survival rate and slower growth rates. Jarrett pointed out another factor women who are running businesses face that men don't.

"Not only are you managers and leaders but you are moth-

ers and wives," she said.

"You are the ones who are successfully performing the balancing act between your businesses and your families."

Karen Mills, the head of the Small Business Administration, announced ways in which the administration intends to help women entrepreneurs.

"First, the administration will [include] a new comprehensive women's contracting rule that will help women-owned businesses meet the 5 percent contracting goal and compete in more than 80 industries where they are under-represented in federal contracting," Mills, a resident of Brunswick, Maine, said.

"The SBA will open four new Women's Business Centers in location around the country, in addition to the already existing 110 centers. In addition, Donna James has been selected as the new chair of the National Women's Business Council, and she will serve the country and women-owned businesses well in that capacity."

The conference featured a panel discussion with Rebecca Blank, the Undersecretary of Economic Affairs for the Commerce Department; Ma-

rie Johns, a District native and the deputy administrator for the SBA; Theresa Alfaro Daytner, chief executive officer of the Daytner Construction Group in Mount Airy, Md., and Bobbi Brown, founder of Bobbi Brown Cosmetics of New York City. Johns, 59, and a resident of Northwest, said that self-employed women need to take chances on their businesses and themselves.

"Women are more risk-averse," she said. "In order to succeed in business, you have to take chances. Women entrepreneurs need to learn to manage risks."

Blanks, a resident of the District, justified Johns' point by saying that women are more likely not to seek capital from banks or financial institutions, instead seeking out family and friends to finance their businesses. It is their fear of rejection, that keeps women from banks, she said.

"Women apply for loans at financial institutions at a lower rate but they are turned down at a higher rate as opposed to men," she said.

"This deters women from seeking capital from those avenues but that is how success-

ful businesses are generally funded."

Johns said that women entrepreneurs need to take advantage of the counseling service offered at the Women's Business Centers and seek mentors to avoid common pitfalls. Plus, she said that education should play a role in the development of the female entrepreneur.

"We should be teaching about entrepreneurship in middle and high school," she said.

Daytner, who lives in Mount Airy, Md., said that women are still new in the business world and should try to learn and talk the language of financial literacy. She said that women should "develop the confidence that they can succeed."

Maya Rockey Moore Cummings is the president and chief executive officer of the District-based Global Policy Solutions Inc., a social change strategy firm. Cummings, 39 and a resident of the District, said that she attended the conference to see what the Obama administration was offering women business owners.

"I wanted to find out what was available to women in business," Cummings, who is married to U.S. Rep. Elijah Cummings (D-Md.), said. "What women entrepreneurs want is more business opportunities and I wanted to see how the administration was going to offer that." **WI**



Business ownership has its challenges and it is certainly not for the faint of heart. However, business ownership, like home ownership is the key to building long-term, generational wealth.



Business, Business, Business

By K. Nadine Maye

owed at 20, she started doing laundry in her home to support herself and her 6-year old daughter. Her hair started falling out, and in a dream came to her the recipe for a product that would make hair grow healthy and strong. She used it on her own hair and it worked. She shared it with friends initially, and demand continued to grow.

She later married C.J. Walker who taught her how to sell her "Hair Grower" by mail. The marriage ended, however Madame C.J. Walker continued to grow her business. With the assistance of her daughter, A'Lelia, who had now graduated college,

she expanded. Aware that she could do only so much selling on her own, and convinced that more black women should go into business for themselves, she recruited and trained some 5,000 women to sell Walker products in the U.S. and abroad. She became the first woman to become a millionaire from her own business. In training other women, you could say, Madame C.J. Walker was the first woman network marketer who became a millionaire as well.

Business ownership has its challenges and it is certainly not for the faint of heart. However, business owner-

ship, like home ownership is the key to building long-term, generational wealth.

By selecting a home based business that you are passionate about, have some basic skills in and where there is market demand, you will increase your chances of being successful just like Madame C.J. Walker. **W**

K. Nadine Maye is an Author, Business Owner, and Speaker. She also helps women start their own home based business. Contact her at (240) 210-0616 or visit, www.spiritwork-sunlimited.com.

As unemployment continues to hover around 10%, and the cry from the White House to the streets is, "Jobs, Jobs, Jobs", millions of people have changed course. Instead of looking for jobs, they've decided to venture into being in business for themselves. A great number of them are women, who are launching home based businesses. According to the Small Business Administration, over 9 million women currently operate a home based business.

There are 4 reasons for this trend.

First technology has evolved and makes working from home very simple. A PC with internet access, a phone and a printer is pretty much all you need to get started. Add a laptop or a smart phone and you can do business in your local Panera Bread, as one of my friends does. Or anywhere in the world.

Second flexibility and freedom. Rather than long early morning commutes and being in an office for 8-10 hours, a home based business allows you the freedom to set of up space in your home, making for a very short commute and to establish your own hours. Are you an early bird? You can get started at 5AM and be done by noon with the bulk of your work. A night owl? You can work while your family is

asleep and the house is quiet.

Third is creativity. Have you ever had an idea to increase productivity or revenue, and your boss shot you down? Well, as a business owner, you can now use your creativity to make your own decisions. You can freely apply the skills, talents and resources you've gained in the workforce to grow your own business. You no longer need permission and you don't have to wait for the committee or board to study your idea. You can just do it! If it works, you keep it and expand it, if it doesn't, you scrap it and come up with another idea.

Fourth you get to earn income based on your efforts and results. Your salary is no longer tied to your education or job title on the GS scale. You can earn what your determination, ingenuity and persistence will bring. Your product or service, how well you market, coupled with consumer demand can increase your income beyond your wildest dreams.

The story of Madame C.J. Walker is an amazing example. Born in poverty in Louisiana, just 2 years after slavery officially ended and orphaned at 7, she used her determination and creativity to build an amazing life. Although wid-

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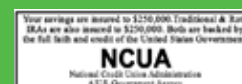
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By Commissioner
Gennet Purcell

Some residents are not aware, but on Sept. 23, 2010, health insurance coverage has been changed in the District of Columbia. Today, children under 19 with pre-existing conditions cannot be denied coverage; plans covering dependent children now continue until their 26th birthday; and rescissions have become a thing of the past, except in cases of fraud or intentional misrepresentation. Rescissions are when insurance companies cancel your policy.

Many of these are in the Patient Protection and Affordable Care Act (PPACA), which President Barack Obama signed into law March 23, 2010. They offer new or expanded options and consumer protections for health insurance coverage. The law addresses insurance reform, expanding coverage, establishing health insurance exchange

es, and improving health care delivery. These could mean significant changes to your policy options during open enrollment or when renewing individual health policies. Therefore, our agency, the D.C. Department of Insurance, Securities and Banking (DISB), has been working aggressively with other District government agencies to inform residents about these provisions and their effects. This falls under our purview as a consumer protection gov-



Due to health reform modifications, residents, including seniors, will experience consumer protection changes, even on plans they have. Under the new law, you're allowed the choice of primary care provider (if you have to designate one)

ernment agency, with the core mission of protecting your financial interests.

As a whole, the District of Columbia is second in the nation, behind Massachusetts, in terms of uninsured individuals. The District has 6.2 percent uninsured residents, according to the 2009 DC Health Insurance Survey by the Urban Institute. About 55 percent are covered by employers; 32.8 percent by public coverage; 6 percent by other coverage such as individually purchased policies; or through programs supporting the military, veterans or students. Public coverage includes Medicaid, the DC Health Alliance and Medicare. However, because 6.2 percent is still high, we're looking forward to health reform enhancing what the city currently offers, and working toward 0 percent uninsured.

Since DISB is on-the-ground in the implementation of health care reform, last May, Mayor Adrian M. Fenty appointed me as co-chair with Dr. Julie Hudman, head of the Department of Health Care Finance, to head up the citywide Health Reform Implementation Committee (HRIC). Also on the HRIC are Dr. Pierre Vigilance, Department of Health, and Clarence Carter, Department of Human Services. HRIC's function is to advise the mayor on implementation of health reform laws, and to coordinate their execution. So far, HRIC held two public meetings in the last two months,

with the intention of hosting another on Monday, Oct. 25, from 6:30 p.m. to 8:30 p.m. at the Martin Luther King Jr. Library, 901 G St., NW. At the meetings, many health-related stakeholders offered testimony on what reform should look like in the District. Since the first HRIC meeting, many expressed interest in participating on a subcommittee, which includes Health Insurance Exchange, Delivery System Reform, Medicaid Expansion, Insurance Regulations and Consumer Outreach. Already, the subcommittees have met, and recommendations have come out these groups. I encourage residents to visit the website, created by the District government, as a one-stop site for the impact of health care reform at www.healthreform.dc.gov.

Provisions

Due to health reform modifications, residents, including seniors, will experience consumer protection changes, even on plans they have. Under the new law, you're allowed the choice of primary care provider (if you have to designate one). It will provide covered emergency services without prior approval, regardless of whether the provider is in-network; allow female patients to receive obstetric or gynecological care from a participating provider and treat authorizations similarly as that of a primary care provider; and allow children to receive care from a participating pediatrician and treat

authorizations the same as a primary care provider.

If you have health insurance coverage through employers, the new benefits and protections will be added to the policy at the next renewal after Sept. 23. If you purchased individual health insurance on your own, the effective date is a bit more complicated. If your insurer has specified a "policy year" for coverage, the new provisions will become effective on that date. If your policy does not have an annual deductible or annual limit, these changes will become effective Jan. 1, 2011. If you have questions about provisions becoming effective on policies, please contact your insurance company.

If you're a senior, the law strengthens Medicare, reduces fraud, and closes the gap in Medicare prescription drug coverage known as the "donut hole." The law takes a number of steps that improve health care for those with Medicare. At DISB, we are excited about these changes to health care, and we expect residents to see these cost-saving benefits and experience these provisions immediately. It's a new day for health care consumers in the District of Columbia.

For information about these provisions, visit DISB's health reform link on its website, www.disb.dc.gov or call (202) 727-8000 to understand how PPACA affects you. Also, find information about PPACA from the National Association of Insurance Commissioners (NAIC), the voluntary organization of chief insurance regulatory officials of the 50 states, the District of Columbia and the five U.S. territories, http://www.naic.org/index_health_reform_section.htm. Find the latest on the state insurance departments' work on PPACA implementation.

If confused about insurance, in general, and what is available, get smart about insurance with the NAIC's Insure U consumer education program at <http://www.insureuonline.org/> for tips about insurance options. **WI**

Commissioner Gennet Purcell is the director for the D.C. Department of Insurance, Securities and Banking. The agency continues to protect your financial interests. Visit its Facebook page and follow its Tweets on Twitter.



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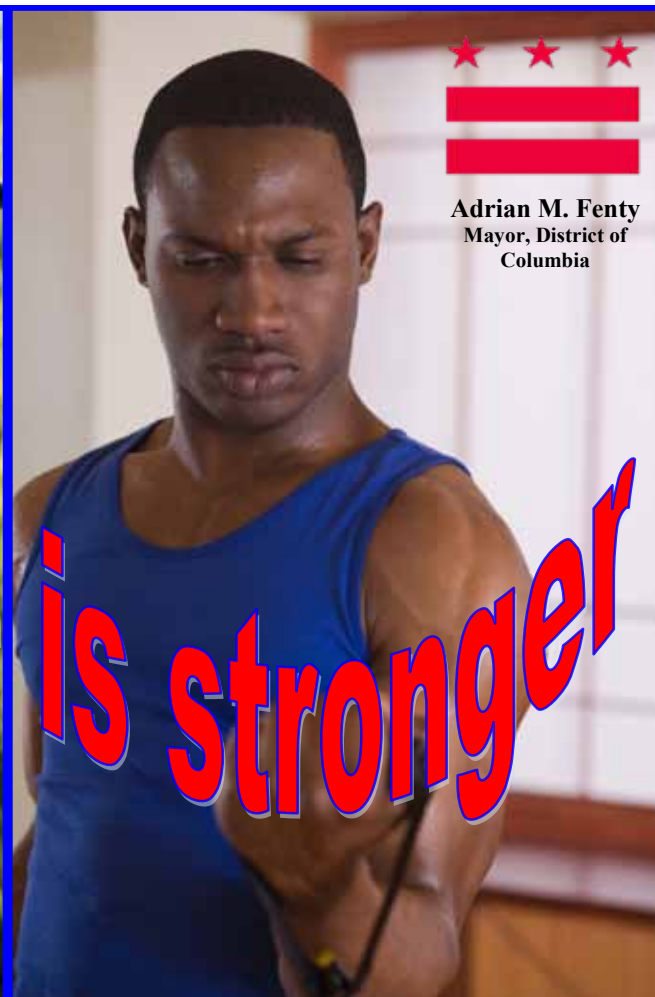
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- A ban on policy cancellations, “just because”
- No annual limits on lifetime benefits
- Kids under 19 cannot be denied coverage for pre-existing conditions
- Plans covering dependent children now continue until their 26th birthday, and more.....

**Contact the District of Columbia
Department of Insurance, Securities and
Banking to find out how the new health
reform law impacts your life.**

Call (202) 727-8000

**Visit www.disb.dc.gov
www.healthreform.dc.gov**



Money Matter\$ – What You Don't Know Can Hurt You!

Identity Theft: It is one of the most prevalent crimes around these days. People everywhere are worried that someone somewhere is either raiding their bank accounts or ruining their credit by running up charges in their name.

Here are some tips to help you avoid becoming the next victim:

- **Use Direct Deposit instead of a paper check**
- **Do not have new checks delivered to your home – Pick them up at the bank**
- **Shred all financial statements, billing statements, and preapproved credit card offers**
- **Check your credit reports from the national reporting agencies at least once a year to make sure no one has established credit in your name**



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